

GM to dump Chevrolet brand in Europe by 2016

FRANKFURT, GERMANY: - US company General Motors will drop its Chevrolet brand from the European market by 2016, citing the prevailing and difficult economic situation for the decision.



GM intends to drop the Chevrolet brand in Europe although it will still sell its Corvette to Europeans.

Image: [Chevrolet](#)

GM instead plans to concentrate on marketing its German-made Opel vehicles and its British sister brand Vauxhall. It will also punt its luxury Cadillac models in Europe in the coming years.

"The decision will weigh on its accounts and lead to net special charges of between US\$700m and US\$1.0bn between the fourth quarter of this year and the first half of next year," GM said in a statement.

"The company's Chevrolet brand will no longer have a mainstream presence in Western and Eastern Europe, largely because of a challenging business model and the difficult economic situation in Europe," GM said.

From 2016, GM will sell only iconic Chevrolet models such as the Corvette in Western Europe, while it will keep selling the mainstream Chevrolet models in Russia and the Commonwealth of Independent States (CIS), a group of former Soviet countries.

The Detroit-based company said it also planned to market its Cadillac brand more strongly in Europe and plans to enhance and expand its distribution network over the next three years.

The extra charges the company will incur this year and next include asset impairments, dealer restructuring, sales incentives and severance-related costs.

It says the restructuring will improve the Opel and Vauxhall brands and reduce the market complexity associated with having Opel and Chevrolet in Western and Eastern Europe, GM said.

"In Russia and the CIS, the brands are clearly defined and distinguished and, as a result, are more competitive within their respective segments," it said.

Chevrolet Europe president and managing director Thomas Sedran assured customers that GM will continue to provide warranty, parts and services for Chevrolet vehicles bought until the end of 2015.

Source: AFP via I-Net Bridge

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